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THE PAY EQUITY COMMISSION



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420,000
more women to be covered by pay equity

Nearly half a million Ontario women will benefit from changes in pay equity. The Honourable Bob Mackenzie, Minister of Labour, made the announcement December 18, 1990.

In the spring of 1991, the government will introduce amendments to the Pay Equity Act that will add two more ways of making job comparisons.

Now, different female and male jobs in the same workplace are compared. However, many women work in organizations where there are very few or no male jobs. Without a male job for direct comparison, these women are not able to benefit from the pay equity process.

The new amendments will add proportional value comparisons in the private and public sectors and proxy comparisons in the public sector.

Proportional Value Comparison

Proportional value comparison is a way of comparing female and male job classes indirectly. It looks at the relationship between the value of the work done and the pay received by a male job class and ensures that the same relationship applies to female job classes. It allows all female job classes in an organization to be compared with the male job

classes in the organization, even if the number of male job classes is relatively small.

For example, a retail store with male managers and male janitors could use proportional value comparisons to find raises for female retail clerks.

Proportional value comparison will apply to both the public and private sectors and will affect about 340,000 women.



CHILD CARE WORKER

Proxy Comparison

Proxy comparison is a new approach that will be used in public sector organizations where job-to-job comparison or proportional value comparison cannot be used because there are no male job classes or too few male job classes. A proxy comparison will provide for comparison with

job classes in another public sector organization that does similar work.

About 80,000 women are expected to benefit, including child care workers.

The government is consulting widely with employers, unions, groups and individuals on proportional value and proxy comparison. It's expected that the government will introduce the amendments in the spring session of the Legislature.

Inside

- 1 420,000 more women to be covered by pay equity
- 2 How to read your pay equity plan
- 6 Pay equity success story
- 7 Communicating pay equity: what do women know?



How to read your pay equity plan

- 1 This is the address of the main office of your employer. It may not be where you work.
- 2 Private companies with 100 to 499 employees had to post their pay equity plan by January 1, 1991. The adjustments in pay, if there are to be any, must start January 1, 1992. If you work for a company which has between 100 and 499 employees and your plan is not posted, talk to your employer. You may want to phone the pay equity hotline for advice.
- 3 This address will be where you work. A large company may have different plans posted in its different geographic locations.
- 4 Job classes are made up of jobs with similar duties, responsibilities, and qualifications. They also must have the same pay range. Your job title may be combined with another to form a job class.
- 5 A job class is usually female if 60 per cent or more of the people currently in it are women, or if historically more than 60 per cent have been women, or if the job class is seen as female, for example, nurse or secretary. It's a male job class if 70 per cent or more of the people in it are men, or if historically more than 70 per cent have been men, or if it's a "male" job. A job is called gender-neutral if it can't be classed as male or female using this method. Gender-neutral jobs aren't affected by pay equity.
- 6 There are many methods of comparison that might be used. The one used in this plan is called the Point Factor Job Evaluation system. It could be a system that was changed to suit your workplace by the people who developed this plan. In any case, the system that has been used should be explained here.
- 7 The system used must not have any gender bias built in. It must compare female job classes with male job classes in a fair way. It must also value fairly the work done by women and men. For example, this plan has placed equal value on working with people and working with machines.
- 8 This will be a list of all the people who were on the pay equity committee. Employers often involve people from a variety of job classes, from the lowest paid to the highest paid.

ABC INC.

25 Any Street
Toronto, Ontario

1 Employer: ABC Inc. 25 Any Street, Toronto, Ontario

2 A) Date of posting and pay equity adjustments

ABC Inc. has posted the following Pay Equity Plan on January 1, 1991.
Pay equity adjustments are to begin January 1, 1992.

3 B) Establishment

This plan refers to ABC Inc. located at 130 This Street, Timmins, Ontario

4 C) Job classes covered by this plan

The total number of employees in Ontario is 157. This plan covers all non-union employees of ABC Inc., who are employed in the geographic division of the municipality of Timmins.

5 D) Gender-predominant job class

The following job classes are female job classes:

secretary
typist
receptionist

The following job classes are male job classes:

president
general repair person
tool and die maker
computer operator
janitor

The following job classes are gender-neutral:

vice-president
manager

6 E) Method of Comparison

The method of comparison used was the Point Factor Job Evaluation. This method results in a point value being assigned to each job class. Jobs were grouped together as follows: between 100-129, 130-159, and so on.

Factors were identified in the areas of skills, effort, responsibility and working conditions as required by the pay equity legislation.

7 When choosing factors, the Human Resources Department ensured that they were not biased according to gender. For example: working with people (a feature common to female job classes) and working with machines (common to male job classes) were valued equally.

8 All jobs were evaluated by a committee whose members were . . .

How to read your pay equity plan

- 9 The job value is the number of points that the job class is worth when it is assessed according to the job comparison system. In this plan, the job class of secretary scored 206 points when it was evaluated according to the effort, skill, responsibility and working conditions. The job class of repair person was worth 200 points.
- 10 The total job rate is the highest rate of pay for a job class including salary and benefits. Job rates may not be reduced as a way of achieving pay equity.
- 11 The female job class of secretary and the male job class of repair person, according to the comparison system, were found to be of equal or comparable value. The male job currently makes \$1.60 an hour more than the female job. All positions in the secretary job class will receive pay equity adjustments.
- 12 The law requires that ABC Inc. spend one per cent of its 1991 payroll on pay equity adjustments starting January 1, 1992. ABC must also give the greatest increase to the female job class that has the lowest rate. The receptionist, at the lowest job rate, receives the highest amount. These increases will continue until pay equity is achieved.
- 13 Call this person if you have any questions about the plan or how your job was valued. If you are not satisfied with the answers you get, or if you have any questions at all, call the Pay Equity Hotline.

Making a complaint

You may wish to lodge a complaint with the Pay Equity Commission if you are concerned about your pay equity plan. Here are some of the reasons you may wish to complain:

- ▶ if there are 100 or more employees in your workplace and your employer has not posted a pay equity plan
- ▶ if the description of job classes does not seem to include your job class
- ▶ if you feel that your female job class has been incorrectly named a male or gender-neutral job class
- ▶ if you feel that male job classes that could be used as comparison are named as gender-neutral or female job classes
- ▶ if the system used to compare the male and female job classes is not free of gender bias
- ▶ if you think that not enough information about your job class was collected to give a fair evaluation
- ▶ if your female job class was not compared with an appropriate male job class
- ▶ if the job rates for male or female job classes are not calculated correctly
- ▶ if job rates are reduced
- ▶ if the total pay equity adjustments in your plan and in the employer's other plans do not add up to one per cent of your employer's payroll
- ▶ if the female job class at the lowest pay rate is not given the highest adjustment
- ▶ if every employee in the same job does not receive the same dollar adjustment
- ▶ if you don't receive the adjustment listed in the plan

ABC INC.

25 Any Street
Toronto, Ontario

F) Comparison Results

| | job value | hourly rate | benefits rate | total job rate |
|---------------|-----------|-------------|---------------|----------------|
| Female | | | | |
| Job Class | 206 | \$6.20 | \$2.00 | \$8.20 |
| secretary | 150 | \$5.20 | \$2.00 | \$7.20 |
| receptionist | 172 | \$6.30 | \$2.00 | \$8.30 |
| typist | | | | |
| Male | | | | |
| Job Class | 200 | \$7.80 | \$2.00 | \$9.80 |
| repair person | 150 | \$6.25 | \$2.00 | \$8.25 |
| janitor | 180 | \$7.50 | \$2.00 | \$9.50 |
| computer op. | | | | |

The following female and male job classes were found to be of equal or comparable value

| Female | rate | Male job class | rate | difference |
|--------------|--------|----------------|--------|------------|
| job class | \$8.20 | repair person | \$9.80 | \$1.60 |
| secretary | \$7.20 | janitor | \$8.25 | \$1.05 |
| receptionist | \$8.30 | computer op. | \$9.50 | \$1.20 |
| typist | | | | |

G) Pay equity adjustment

The Pay Equity Act requires that one per cent of the total payroll be used for pay equity adjustments. The estimated payroll of ABC Inc. for 1991 is \$2,011,800. The estimated amount to be spent in 1992 for pay equity is \$20,118. The act states that the female job class with the lowest job rate (receptionist) shall receive increases in compensation that are greater than the increases for other female job classes (secretary). This is to continue until the job rate for receptionist is equal to the job rate of secretary or the job rate required to achieve pay equity. The annual pay equity adjustment is the adjustment per hour multiplied by the number of hours per week times 52 weeks.

| job class | present rate | 1992 adjust. | adjusted rate 1992 | remaining adjustment |
|--------------|--------------|--------------|--------------------|----------------------|
| secretary | \$8.20 | \$0.18 | \$8.38 | \$1.42 |
| receptionist | \$7.20 | \$0.50 | \$7.70 | \$0.55 |
| typist | \$8.30 | \$0.18 | \$8.48 | \$1.02 |

H) Costs of adjustments

| job class | hourly adjust. | yearly adjust. | number of employees | total cost 1992 |
|--------------|----------------|----------------|---------------------|-----------------|
| secretary | \$0.18 | \$341.64 | 20 | \$6832.80 |
| receptionist | \$0.50 | \$949.00 | 5 | \$4745.00 |
| typist | \$0.18 | \$341.64 | 25 | \$8541.00 |
| | | | | \$20,118.80 |

This amounts to one per cent of payroll

I) For further information contact J. Doe, Director of Personnel

Pay Equity Success Story

The Toronto Star

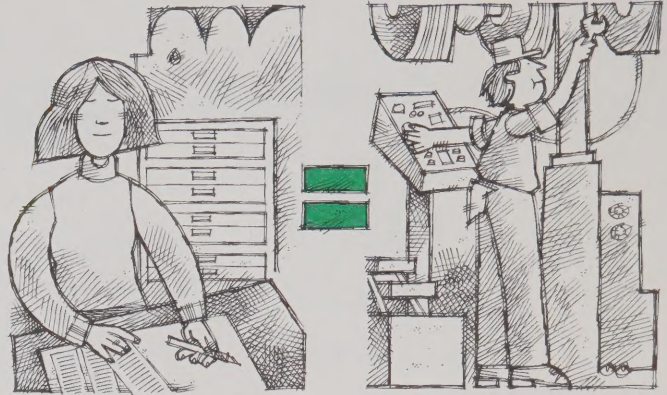
Employees at the Toronto Star newspaper agreed to a pay equity settlement in January that will see 349 employees in female-dominated jobs get raises. The average increase is \$1.60 an hour. The highest adjustment is to those people who are junior book-keeping clerks in the circulation department. They will get a weekly wage increase of \$126. That job class was compared to the male job class of syndication sales coordinator. These sales coordinators sell syndicated newspaper stories to other newspapers.

Joyce McKerrow, chair of the bargaining unit at the Toronto Star and of its pay equity committee said, "We were especially pleased that the people who got the highest increase were the junior clerks because pay equity was meant to help the lowest-paid people."

The female-dominated job of information clerk in the circulation department was compared to the male-dominated job of senior clerk in the general accounting department and got an increase of \$80 per week.

The layout coordinators were found to be the equivalent of vehicle mechanics and received an increase of \$57 per week.

Switchboard operators, whose work also includes some research, were compared to the male-



PRESS ROOM LAYOUT COORDINATOR

MECHANIC/SERVICE VEHICLES

dominated category of sales coordinators who provide support in the selling of display ads. Their category was increased by \$60 a week.

Zone office clerks were also compared to sales coordinators and got an increase of \$94 per week.

It took three years to complete the pay equity process. Every employee was asked to fill out a three-hour questionnaire about his or her job. Employees described their jobs in great detail, rating, among other factors, the levels of knowledge, creativity, experience, effort and responsibility they used. The information was verified by supervisors and the committee members then rated each job.

McKerrow praised the people involved in the three committees. "They were very strong," she said, "They devoted an awful lot of their time to this project. We could not have done it without these excellent people."

Pay Equity Hotlines

Phone the hotline if you have any questions about pay equity. Counsellors are there to answer your questions and help you in English and French.

This month's hottest topic is the deadline for the posting of pay equity plans in workplaces that have from 100 to 499 employees.

The employees asked

Question: I work for a company with 200 employees in Ontario. When does my employer have to post the pay equity plan for my company so that I can see it?

Answer: January 1, 1991. But if it's not up yet, ask your employer about it. Maybe they're working hard on it and it will be up soon.

Question: The plan isn't ready. They don't seem to be working on it. What can I do?

Answer: You are entitled to lodge a complaint with the Pay Equity Commission.



Cynthia Persaud of the Pay Equity Commission scans PEC brochure at one of the 75 Infoplace kiosks across Ontario featuring pay equity.

Communicating pay equity: what do women know?

Women are not getting the information they need about pay equity. That's the conclusion reached by the Information and Education Branch of the Pay Equity Commission after conducting focus group research with women who do not belong to unions.

In the study, random groups of women were brought together with a professional moderator. The women, who were not members of a union, came from companies with 100-499 employees and from companies with 50-99 employees. The focus groups were held after January 1, 1991, the date that the larger companies were supposed to have posted their pay equity plan. The smaller companies are not required to post a pay equity plan.

The women in the larger workplaces — even though their companies were supposed to have pay equity plans — did not understand the concept of pay equity. Most thought that it was equal pay for men and women doing the same job. No one was aware that pay equity allows a comparison between jobs

done mostly by women and different jobs done mostly by men.

Most of the women had heard of pay equity through the media, although only recently. In some cases, their employer had held a meeting or put a notice in with the pay cheques. In other cases, the company notified them that they had hired a pay equity consultant. However, no one explained pay equity to the employees.

The women did not realize that pay equity was the law in Ontario and that employers had a legal obligation to carry out pay equity. When the moderator said it was the law, the women thought it to be federal rather than provincial law. And they were unaware of the Pay Equity Commission or its role.

The employees were also confused about how to achieve pay equity and they had no knowledge of their right to complain. While some of the women in the groups had received job evaluation questionnaires, they did not know these were related to the development of a pay equity plan.

In general, the women believed that pay equity means equal pay for equal work and that job evaluations are about an individual's performance instead of the activities involved in a job. They believed a man's pay could be cut to achieve pay equity.

"Pay equity is a fairly new concept," said Julie Mason, Director of Information and Education for the Pay Equity Commission. "It's not surprising that employees don't understand it. But it does mean that employers, consultants, unions and the Commission have an important job to do to inform women about their rights."

The Pay Equity Commission has already begun work on a public awareness campaign to advise women of their rights. A combination of advertising, news stories and information booths will be targeted to women who may benefit from pay equity legislation.

Publications from the Pay Equity Commission

To order, please phone 1-800-387-8813 (toll free).
In Toronto, please phone 481-3314.

There is no charge for this information.

Pay Equity: A matter of fairness

a brochure on the basics of pay equity

Questions and Answers about Pay Equity

a 12-page booklet that answers basic questions for employers and employees

Bringing Objections to Non-Union Pay Equity Plan

a short newsletter article that explains how you can object to a pay equity plan if you are not in a union

How to Read Your Pay Equity Plan

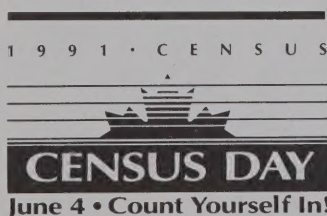
a 15-page information package written in easy-to-understand language that explains pay equity, talks about what must be in your pay equity plan, and gives some tips on how to talk to your employer about pay equity

Overlooked Factors in Job Content

a two-page list of factors that will help you evaluate your job

Glossary of Action Verbs

a list of verbs to use when you describe your job





*Got a question about pay equity?
Are you an employer or an employee?*

CALL THE
PAY EQUITY COMMISSION
INFORMATION HOTLINES



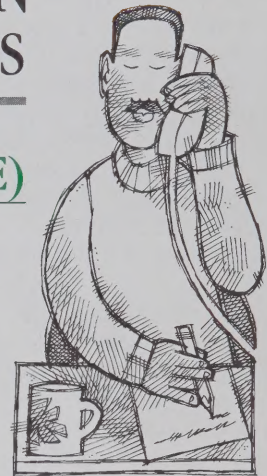
ONTARIO-WIDE (TOLL FREE)

1-800-387-8813

1-800-387-8887

TORONTO AREA

481-3314 481-3315



Counsellors are there from 9 a.m. to 5 p.m. to answer your questions
about pay equity in English and French.

THE
PAY EQUITY
COMMISSION



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